



Steve Howard / The Hague, Netherlands

Chief Sustainability Officer of Ikea Group who has overseen a period of massive investment in renewable energy and support for climate vulnerable communities - including a plan to go 100% renewable as a business



INTRODUCTION

Climate change is one of the world's biggest challenges and we need bold commitments and action to find a solution, according to the global home furnishing company IKEA Group. The company is demonstrating remarkable leadership through its own actions – by committing to go 100% renewable, producing as much energy from renewable sources as the total energy it uses in its buildings and, through the IKEA Foundation, committing hundreds of millions of dollars to help the most vulnerable communities build resilience to the impacts of climate change.

Steve Howard, IKEA Group Chief Sustainability Officer, says, “action on sustainability and climate change is driving innovation in the way we power our stores, the material we use and the products we offer. It’s about staying relevant for our customers, making our business fit for the future and ensuring we have a positive impact.”

IKEA's direct operations are already being disrupted by extreme weather. For example, in 2012, Hurricane Sandy seriously affected co-workers and communities in the USA and forced them to temporarily close nine IKEA stores, leading to losses in revenue of USD 9 million (EUR 7.2 million). Some of the countries in which IKEA sources materials are particularly vulnerable to the effects of climate change, harming local communities and increasing the risk of disruption in the supply chain.

For these reasons IKEA is going all in to transform its business, to ensure that it is fit for the future and is having a positive impact. This means becoming energy independent by investing in renewable energy and efficiency while cutting emissions across the global supply chain. It means transporting products more efficiently and designing them to use fewer materials and more sustainable materials in production. And it means enabling customers to live a more sustainable life at home, saving and generating energy, using less water and reducing waste and recycling more.

PROJECT

In this critical year for climate action, IKEA Group and IKEA Foundation announced a new financial commitment totaling EUR 1 billion to accelerate the transition to a low-carbon economy and to support the communities most at risk. This is made up of an IKEA Group commitment of EUR 600 million for investment in renewable energy and a EUR 400 million IKEA Foundation funding commitment to support communities most impacted by climate change.



The EUR 600 million IKEA Group commitment to renewable energy builds on the EUR 1.5 billion the company has invested in wind and solar since 2009.

IKEA has set out to go 100% renewable and plans to become energy independent by 2020. **“We will produce as much energy from renewable sources as all of the energy we consume in our own operations globally. We do this because it is the right thing to do for people and the planet and for the future of our business. Tackling climate change is also a driver for innovation and renewal,”** explains Howard.

As well as taking action within their business, IKEA is calling for bold action from policy makers, individually and through the We Mean Business coalition, RE100 and other partnerships. For example in the RE100 campaign, IKEA stands together with many other forward-thinking businesses that have also committed to switch to 100% renewable energy. These businesses recognise that the world’s future is a renewable one.



RESULTS

The company is on track to become energy independent, producing as much renewable energy as it consumes in its buildings. “We are well on the way to reach our goal of energy independence,” says Howard.

“We have so far committed to own and operate 314 offsite wind turbines and installed 700,000 solar panels on our buildings. Around 90% of our US buildings now have rooftop solar. **Our investment in energy independence makes good business sense. Being more energy efficient and producing renewable energy enables**

us to reduce costs and makes us more resilient by protecting us from fluctuating energy prices.”

In 2015, IKEA Group announced that, following the inauguration of a new wind farm in Sweden, it has become energy independent in its operations in the Nordic countries. IKEA Group operations in the Nordic countries (Sweden, Norway, Finland and Denmark) join operations in Canada that became energy independent in 2014 – actually producing more energy from renewable sources than they consume in their buildings.

Operations in Poland and the US are on-track for energy independence with wind farms under construction. Once operational in late 2015, a total of six wind farms in Poland will produce an estimated 473 GW of electricity each year. Together with the heat energy produced from biomass in IKEA Group factories in Poland, the IKEA Group will produce as much energy from renewable sources as it uses in all its Polish stores, shopping centres, factories, distribution centres and offices.

“We want to have a positive impact on the planet and the communities where we source and sell our products. Poland is an important country to IKEA where we have the complete value chain represented, from factory to store. Our new wind farm investments will make IKEA Group energy independent in Poland, meaning we produce

as much renewable energy as all the energy we use in our stores, shopping centres, factories, distribution centres and offices in the country,” says Evelyn Higler, CEO, IKEA Retail Poland.

“At IKEA, we see renewable energy as a fantastic opportunity to build a better business and to support a better everyday life for our customers. Investing in renewable energy is great for our business as it reduces CO₂ emissions and giving us a long-term supply of clean, affordable energy,” Higler adds.



CONCLUSION

Climate change is one of the biggest challenges facing society, and urgent action is needed to protect people and the planet. But the transition to a low-carbon economy offers huge opportunities, bringing new jobs, economic growth and energy security. For IKEA, taking action on climate change drives innovation, investment and renewal. It is seen as an opportunity to make the business better and meet the needs and expectations of customers.

Howard concludes: “In this critical year for tackling climate change, we are calling for long-lasting, robust policies that will unlock the innovation and investment needed for companies to commit to more sustainable business models and a low-carbon economy.

“It is clear that the transition to a low-carbon world is both essential to protect communities everywhere, and is a huge economic opportunity. Now it’s up to governments and businesses to take decisive action to get us on track for a prosperous, sustainable future,” he says.

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Additional Materials

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